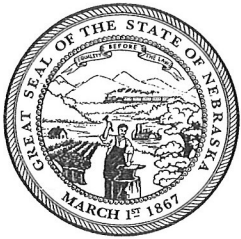




Worker Training Program

Annual Report July 2009 - June 2010

 NEBRASKA
DEPARTMENT OF LABOR



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF LABOR

Catherine D. Lang, Commissioner
P.O. Box 94600 • Lincoln, NE 68509-4600
Phone: 402.471.9000 • dol.nebraska.gov

September 1, 2010

The Honorable Dave Heineman
Governor, State of Nebraska
Governor's Suite, Second Floor
Nebraska State Capitol
Lincoln, Nebraska 68509-4848

Dear Governor Heineman and Members of the Nebraska Legislature:

On behalf of the Worker Training Board Program, I am pleased to provide you with a report on the activities for the Program Year July 1, 2009 through June 30, 2010.

The program was able to fund 357 grants completely or in part, over 57% of all applicants. In awarding over \$1.5 million dollars throughout the state, the program will benefit an estimated 635 Nebraska businesses and over 18,000 Nebraska workers (at an average cost per participant of \$81.44). Matching funding by participating employers exceeded \$3.9 million dollars. The top training activities last year (ranked by the number of approved requests):

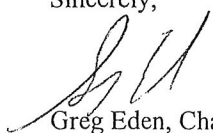
1. Safety/First Aid/CPR	48 grants	13.4% of all grants approved
2. Technology/Computer	38 grants	10.6%
3. Lean Mfg./Efficiency	35 grants	9.8%
4. Leadership	33 grants	9.2%
5. Management/Supervision	28 grants	7.8%
6. Healthcare Industry	22 grants	6.1%
7. Team Building/Communication	18 grants	5.0%
8. Electrical Based	15 grants	4.2%
9. Customer Service	12 grants	3.3%
Machine Operations	12 grants	3.3%

Funding for Computer Based training dropped 49% from last year and failed to lead this list for the first time in five years. The conclusion may be that businesses are postponing high cost technical improvements in this uncertain economy. Also reflecting the changing times, funding for "Green" Based training (alternative energy, green construction, air quality, etc.) finished just outside the top ten.

This year the Board revised the program guidelines to facilitate the adjustments to the program through the passage of LB 631. Two new categories were created to provide training opportunities for apprenticeship programs and businesses with more than 500 employees. And, building on the success of last year's Wind Tower project, the Board utilized the Special Employment Training section to fund a simulated patient lab to train rural healthcare professionals and a confined space simulator to train those who work in – or conduct emergency rescue operations in – silos, grain bins, pipelines or tanks throughout the state.

Finally, speaking as a businessman, in these difficult times these grants can mean the difference between training employees or not. So I want to thank the State of Nebraska for the assistance it provides to business and industry through this program and look forward to contributing to its ongoing success.

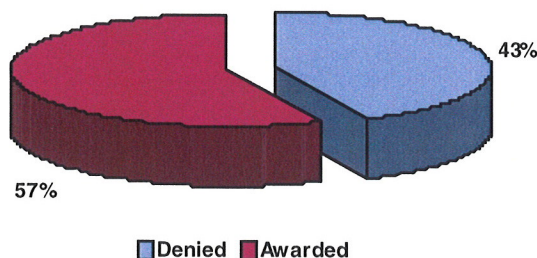
Sincerely,


Greg Eden, Chair
Worker Training Board

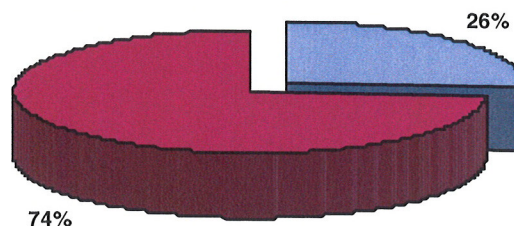
The Number of Employers Receiving Grants Under the Program:

<u>Time Period</u>	<u>Grants Received</u>	<u>Grants Awarded</u>	<u>Businesses Benefiting</u> [*]
Fiscal Year	628	357	635
History of the Program	5,352	3,968	8,133

Fiscal Year



History of the Program



Comment:

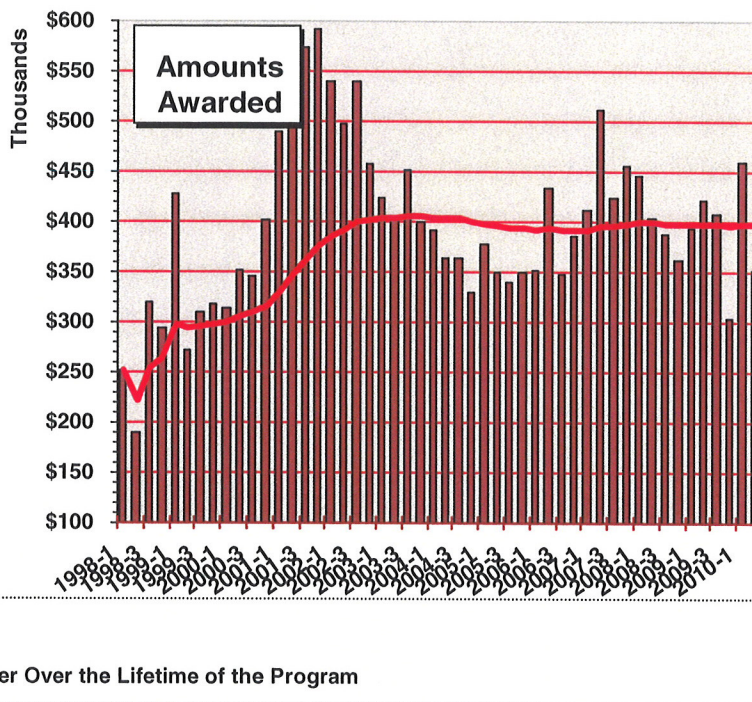
By increasing the categories from three to five (adding apprenticeship training and businesses with more than 500 employees) it was necessary to reduce the percentage available in each category to 20% of the total available. This made it more difficult to receive funding. Therefore, funding – in whole or in part – was awarded to 57% of those applying, well below the historical average.

The Total Amount Of Grants Awarded:

<u>Time Period</u>	<u>Amt. Awarded</u>
Fiscal Year	\$1,522,553
History of the Program	\$19,855,682

Comment:

The total amount awarded decreased by only \$42,112 from the previous year. Of the amount awarded, \$412,620 (27% of all funds) went to apprenticeship and special training projects. The average amount awarded each quarter over the lifetime of the program now stands at \$397,113. Projections indicate that the current level of funding can be maintained or increased moderately.



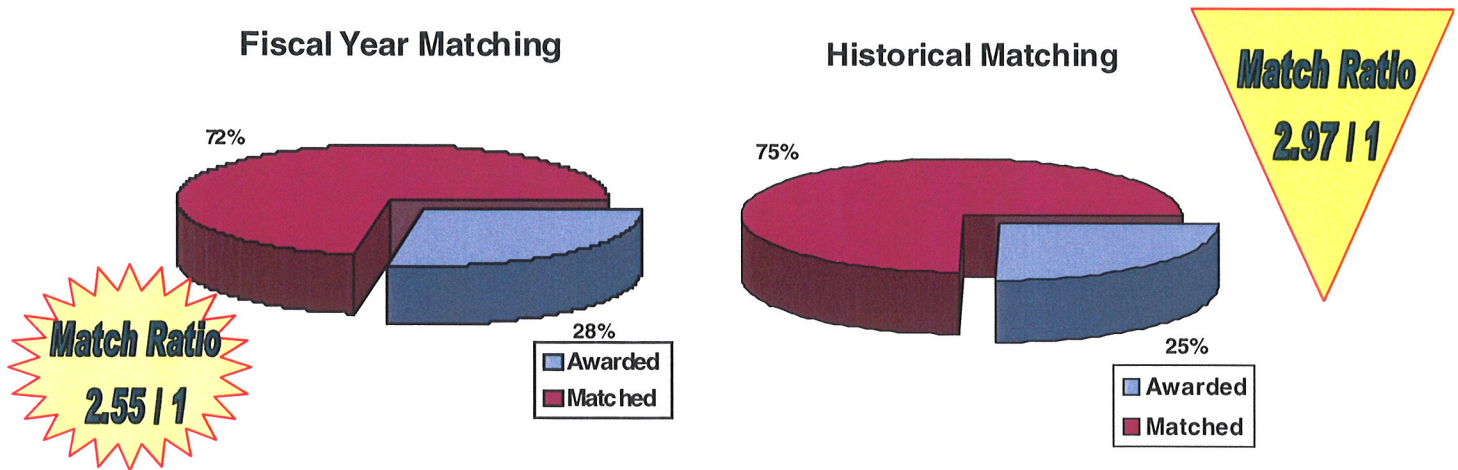
*The number of businesses benefiting is higher than the number of grants awarded because only one employer receives the funding in a consortium.

The Value, Expressed In Dollars And As A Percentage, Of Total Training Expenditures Of Matching Contributions Made By Employers:

<u>Time Period</u>	<u>Amt. Matched By Employers</u>	<u>% Matched By Employers</u>
Fiscal Year	\$3,930,545	72.1%
History of the Program	\$59,028,568	74.8%

Comment:

Employers matched \$2.55 for every dollar awarded by the program (up 13 cents from the previous year). The historical figure stands at \$2.97 matched for every dollar awarded. The historical figure has trended downward for the last few years.



The Geographical Distribution of Employers Receiving Grants under the Program:

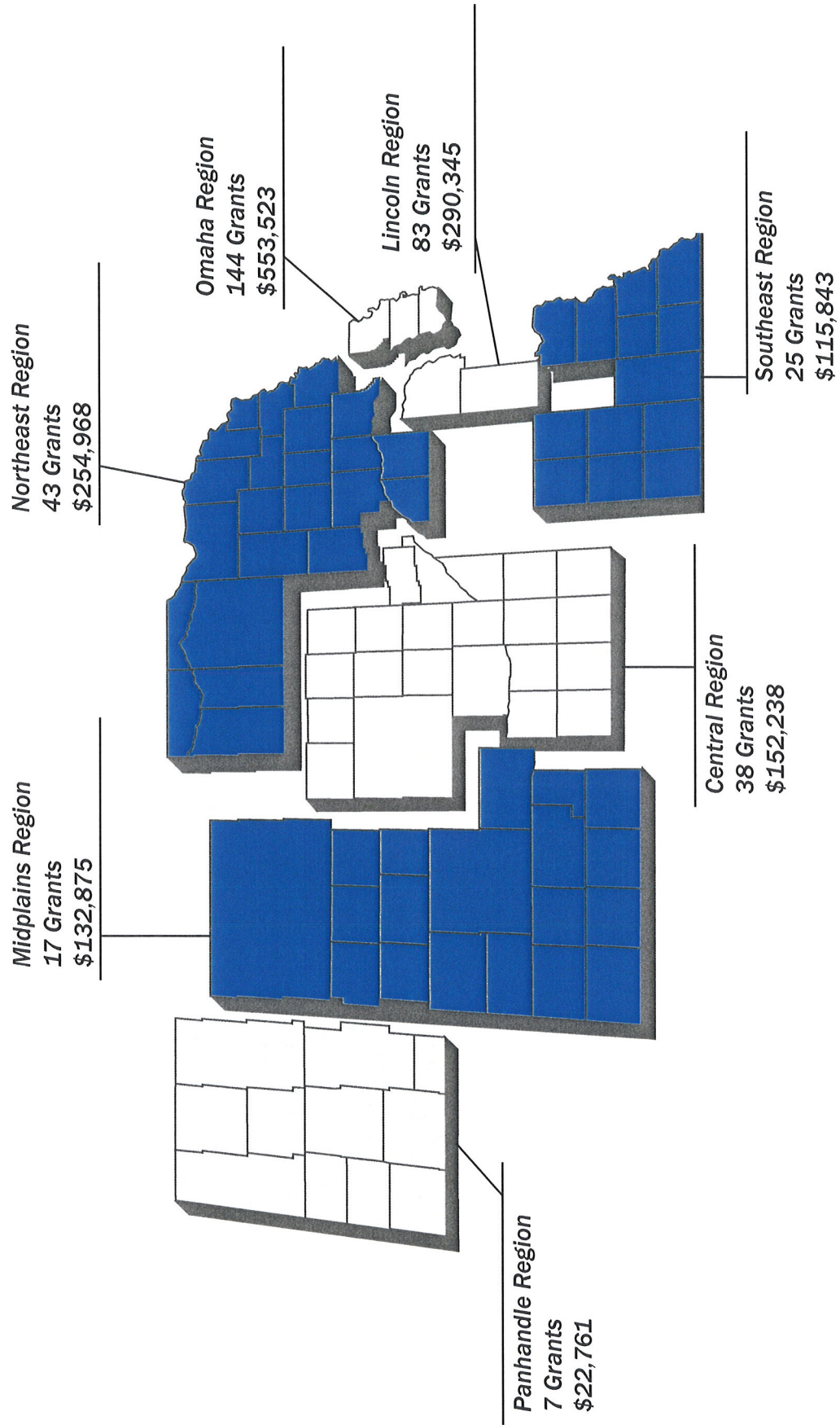
[See Attached Map](#)

Comment:

In order to insure equitable distribution between urban and rural communities, the Program has divided the state into seven geographic areas. Those areas: Greater Omaha, containing Washington, Douglas, and Sarpy counties; Greater Lincoln containing Lancaster and Saunders counties; and five regions in Greater Nebraska – Panhandle, Mid Plains, Central, Southeast and Northeast – containing the remaining eighty-eight (88) counties. One final note: the map reflects only those businesses able to **receive** a grant disbursement check. Therefore, as the check is issued to only the lead employer in a consortium, all money from that grant is assigned to that area. Grants serving consortia with statewide memberships will have their funds assigned to the location of the lead employer. The actual number of businesses that have participated and benefited through the Program is much higher than the number of grants awarded.

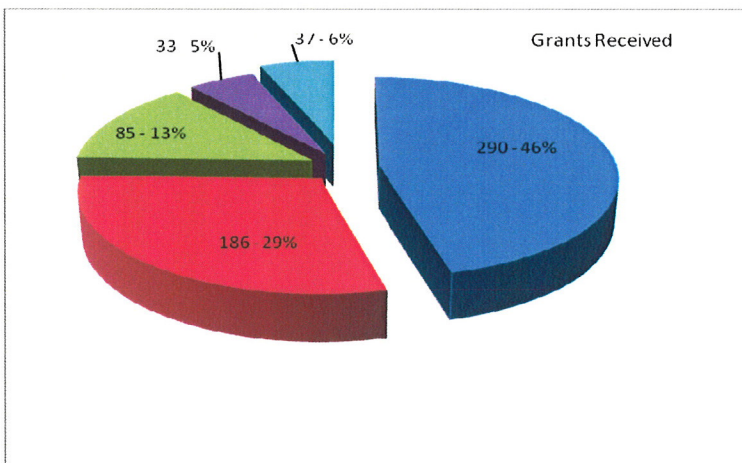
Geographical Grant Distribution

July 1, 2009 - June 30, 2010



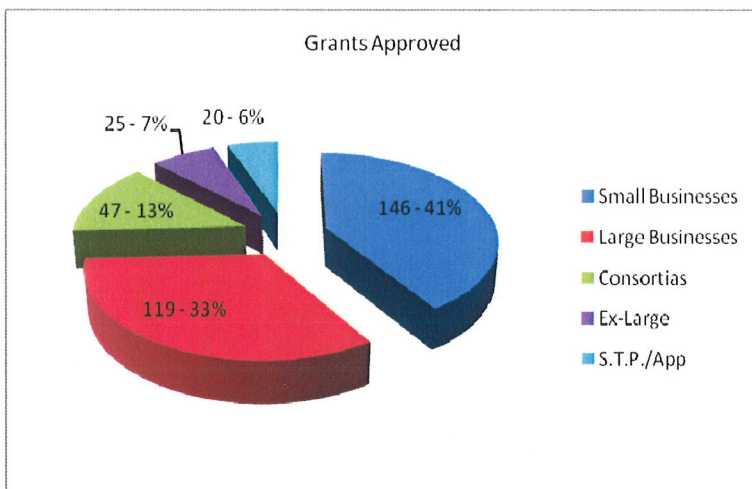
The Number of Small Businesses (fewer than 100 employees) that Receive Grants Under The Program And The Total Amount of Grants Awarded in each of the five categories:

<u>Time Period</u>	<u># Businesses</u>	<u>Amt. Awarded</u>
Fiscal Year	146	\$439,134.00
History of the Program	1,533	\$5,459,217.00

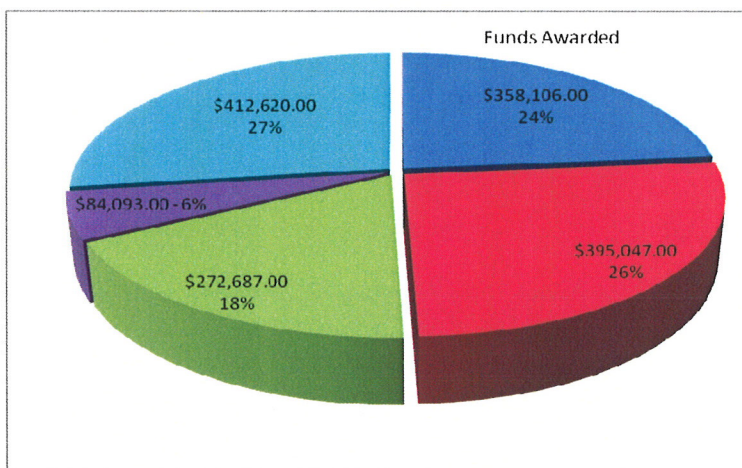


Comment:

The figures for small businesses do not include those small businesses that participated in a consortium with a combination of small and large businesses (The data base could not separate the number trained through a consortia according to company size.). The program received 290 applications from small businesses, more applications than any other category, and funded 146, also more than any other category.



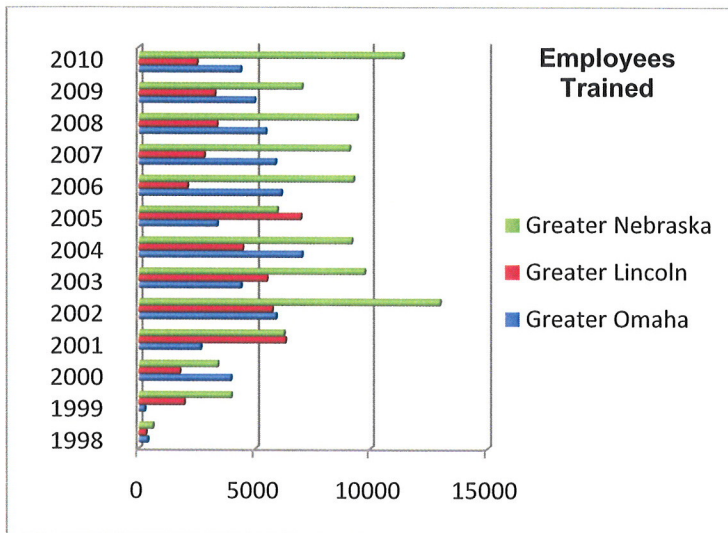
The program began funding Extra Large businesses and Special Training Projects/Apprenticeship training midway through the fiscal year so the number of applications received for both was appreciably lower than the established categories.



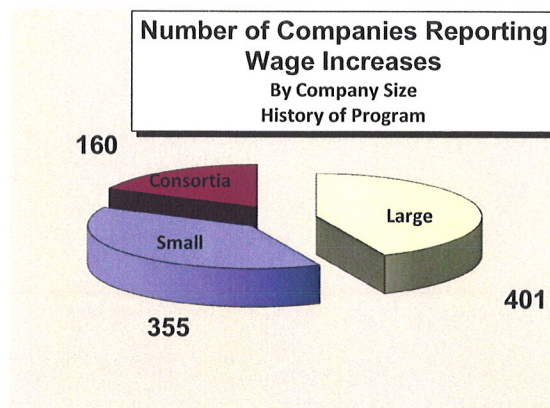
\$412,620.00 went to twenty special training/apprenticeship projects. The majority of that funding (60%) went to three projects: 1) \$75,627.00 to the IBEW for apprenticeship stipends and training; 2) \$89,370.00 for a confined space simulator enabling statewide training in working and emergency rescue in confined spaces (*i.e.* bins, silos, tanks, pipelines;) and 3) \$84,766.00 for creation of a simulated patient lab able to train healthcare professionals in rural areas in a variety of scenarios including cardiac arrest, head trauma and asthmatic attacks.

Total Number Of Employees Trained – Reported By Regions Of The State (Estimates-some grant remain open); Companies reporting Wage Increases; Employees Covered by Health Care:

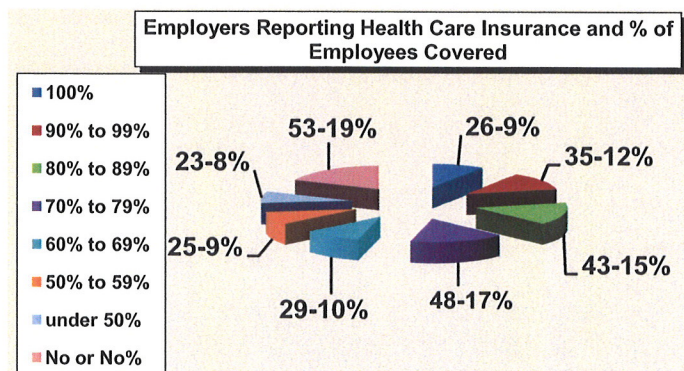
Time Period	Greater Omaha	% Of Total	Greater Lincoln	% Of Total	Greater Nebraska	% Of Total	Total
Fiscal Year	4,358	23.9%	2,474	13.6%	11,410	62.5%	18,242
History of the Program	60,686	33.1%	31,625	17.2%	91,281	49.7%	183,592



Comment: An estimated 18,000 Nebraska workers were scheduled to receive training through the Program this year (exact figures are not available until all training is completed). The average cost per participant for the year was \$81.44 as compared to \$107.95 for the history of the program.



Comment: Of those companies closing out their grants in the past fiscal year, 295 responded to this question and 43 reported an increase in employee wages as a result of training received. The increases: 11 reported raises under 26¢/hour; 13 reported raises from 26¢ to a \$1.00/hour; 11 reported raises between \$1.00 and \$2.00/hour; 6 reported raises in between \$2.00 and \$4.00/hour, and two reported an increase of more than four dollars.



Comment: Of those responding to this question, 295 of 366 employers (80.6%) reported that they offer health care insurance to their employees and provided a percentage at the time of their close out. Crete Carrier reported the highest total of insured employees, insuring 4,735 at the time of their grant close out.

Other Relevant Program Information Or Indicators That Relate To The Effectiveness Of The Program And Its Administration, As Required By Statute:

Comment:

Customers are the ultimate judges of any program. As these Nebraska businesses attest, the Worker Training Program is an ongoing success story for the State of Nebraska, its businesses and its workers.

Customer Comments:

Stephen Dodd, International Business Machines Corporation
Grant #S-5127

IBM has been very satisfied with the Worker Training Program and appreciates Nebraska's support for the continued future success of our employees and our company in the State of Nebraska.

Christian Evans, Aurora Area Chamber
Grant # C-4709

In today's economy, it is imperative that employers meet and surpass the challenges associated with the pace of technological advancements in order to develop a "high performance" workplace. Thanks to the Nebraska Worker Training Program, Project ACE² is able to address these needs for employers in Aurora and its surrounding communities.

Shari Smith, Natura Pet Products
Grant # S-4108

It is one of the most user friendly government programs that I've seen!

Scott Volk, MetalQuest Unlimited, Inc
Grant #S-3523

The ease in obtaining an extension on the training deadline for this grant helped MetalQuest meet our business deadlines at a time when our production schedule was extremely busy and our sales volume was higher. We appreciate the Worker Training Program being responsive to our business solution.

Duane Russell, Elster American Meter
Grant #S-5146

Wonderful program.....thank you!

Dave Pierce, Green Plains Central City, LLC
Grant #S-4642

Our grant offered us the ability to send some key personnel through a Leadership Development Training series which has brought benefits back to our work force many times over. Even though we were unable to utilize the total grant dollars which were offered to us, we have learned a great deal about the importance of offering continuing education to our employees so as to foster a better work environment and a more rounded culture of diverse employees.

2009 FISCAL YEAR END REPORT

The Nebraska Worker Training Program is funded through the Nebraska Training and Support Trust Fund (NTST fund) which receives quarterly deposits of interest generated from the State Unemployment Insurance Trust Fund.

Fiscal year 2009 receipts (earned and accrued) from the quarterly interest:

Quarter Earned	SUIT Interest	NTST Interest	
July-Sept 09	\$314,043.03	\$ 29,363.28	
Oct-Dec 09	\$329,436.08	\$ 28,720.93	
Jan – Mar 10	\$354,440.41	\$ 29,588.16	
April-June 10	\$383,689.14	\$ 31,696.83	
TOTALS	\$ 1,381,608.66	\$119,369.20	\$1,500,977.86

Fiscal year 2010 receipts from SUIT interest are estimated to be \$1,200,000 annually.

The Nebraska Training and Support Trust Fund balance as of June 30, 2010, was \$3,561,554. Neither the April-June 2010 Suit interest nor the June 2010 NTST interest are reflected in the June 30th balance, due to the processing cycle.

Administrative costs in FY 09 were \$149,221.14. This figure includes \$61,601.85 for the costs of collecting the SUIT tax.



NEBRASKA

DEPARTMENT OF LABOR

Nebraska Worker Training Program

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